GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries and Commerce Department – Extension of certain incentives under Mega Project Status as per Industrial Development Policy 2015-2020 to M/s. International Flavors & Fragrances India Pvt. Ltd. for setting up of manufacturing facilities for Flavours and Fragrances in Sricity – Orders - Issued.

INDUSTRIES & COMMERCE (POLICY&INVESTMENT) DEPARTMENT

G.O.Ms.No.11 Date: 21-1-2019

Read the following:-

(1) From M/s. International Flavours & Fragrances India Pvt. Ltd. along with DPR Letter Dt. 13.06.2108.
(2) Minutes of State Investment Promotion Committee Meeting dt 31.10.2018.
(3) Minutes of State Investment Promotion Board Meeting Dt. 12.11.2018.

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ORDER:

In the letter 1st read above, M/s. International Flavours & Fragrances India Pvt. Ltd. proposes to setup manufacturing facilities for Flavors and Fragrances in Sricity with an investment of INR 525 Crs and a potential to create employment to 450 persons and requested the following incentives:-

(i) Six (6) months extension for Date of Commencement of Production, i.e. beyond 31st March, 2020.

(ii) Capital Subsidy of INR 25 Crores and additional capital subsidy of 25% of the project cost by way of annual equal installments spread over a period of ten (10) years.

(iii) Reimbursement of Gross output SGST for a period of fifteen (15) years.

(iv) Incentive to the extent of company's contribution to the state exchequer on account of input IGST paid by them on its procurement, for a period of fifteen (15) years.

(v) Incentivization of SGST paid on consumables and services by way of reimbursement or soft loan.

(vi) Reimbursement of non-creditable SGST paid on activities such as construction etc.

(vii) Reimbursement of IGST paid on procurement of capital goods, to the extent of contribution to GoAP treasury, on account of the same.

(viii) Reimbursement of power consumption charges at INR 1 per unit for ten (10) years.

(ix) Reimbursement of stamp duty:

  (a) Company seeks extension of this incentive without plinth area restrictions.

  (b) Company seeks extension of this incentive to stamp duty paid by them on all other transactions of a capital nature, where the beneficiary of such duty is the treasury of GoAP

(x) The debt component of the investment be incentivized by a 9% interest subsidy, for a period of 5 years.

(xi) Incentives on cleaner production:

  (a) Grant of subsidy on cleaner production measures to the extent of 10% of actual expenses incurred, with a relaxation in cap and;

  (b) Grant of additional subsidy on cleaner production measures at 100% of the actual expenditure incurred in this regard

(xii) Reimbursement of freight cost incurred to the extent of INR 25 lakh per annum for ten (10) years.

(xiii) 100% reimbursement of expenses towards employee transportation charges, for seven (7) years

(xiv) Reimbursement of contribution to the employees Provident Fund, to the extent of 100% of our contribution for a period of ten (10) years.

(xv) Reimbursement of skill development expenses at a rate of INR 10,000 per employee

(xvi) Reimbursement of quality certification costs: 100% reimbursement in this regard

(xvii) Qualification of retention payments as Eligible Fixed Capital investments.

2) In the reference 2nd read above, the State Investment Promotion Committee (SIPC) examined the proposal and discussed in detail and recommended to extend following incentives to M/s. International Flavours & Fragrances India Pvt. Ltd. The Committee advised to place the following proposal before State Investment Promotion Board (SIPB).

(i) Extended time upto 6 months from 31st March to 30th September, 2020 for commencement of commercial production to avail incentives under IDP 2015-2020, with a condition that no further extension for DCP shall be granted beyond this period.

(ii) Reimbursement of power at INR 1 per unit for a period of five (5) years from DCP and extendable to by another 2 (two) years, on satisfactory performance of the unit, since the unit is located in Chittoor District which is a backward district.

(iii) 50% subsidy for sustainable green measures with ceiling of INR 50 crores, and the green measures are as specified in the IDP 2015-2020.

(iv) Reimbursement of one-time skill development expenses at a rate of INR 10,000 per employee.

(v) Reimbursement of 100% cost of patents upto INR 5 lacs for domestic and INR 10 lacs for international patents.

3) In the reference 3rd read above, the State Investment Promotion Board (SIPB) has examined the proposal of M/s. International Flavours & Fragrances India Pvt. Ltd., discussed in detail and decided to extend the following incentives under Industrial Development Policy 2015-20 to M/s. International Flavours & Fragrances India Pvt. Ltd.:-

(i) Extended time upto six (6) months' from 31st March to 30th September, 2020 for commencement of commercial production to avail incentives under IDP 2015-2020, with a condition that no further extension for DCP shall be granted beyond this period.

(ii) Reimbursement of power at INR 1 per unit for a period of five (5) years from DCP and extendable to by another 2 (two) years, on satisfactory performance of the unit, since the unit is located in Chittoor District which is a backward district.

(iii) 50% subsidy for sustainable green measures with a ceiling of INR 50 crores, and the green measures are as specified in the IDP 2015-2020.

(iv) Reimbursement of one-time skill development expenses at a rate of INR 10,000 per employee.

(v) Reimbursement of 100% cost of patents upto INR 5 lacs for domestic and INR 10 lacs for international patents.

(vi) All other incentives as per Industrial Development Policy (IDP) 2015-20.

4) Government after consideration of the recommendations of the State Investment Promotion Board, hereby extend the following incentives to M/s. International Flavours & Fragrances India Pvt. Ltd. for their proposed manufacturing facilities for Flavors and Fragrances in Sricity with an investment of INR 525 Crores (INR 367.5 Crores in Flavours and INR 157.5 Crores in Fragrances) and a potential to create employment to 450 persons:-

(i) Extended time up to 6 months from 31st March to 30th September, 2020 for commencement of commercial Production to avail incentives under IDP 2015-20 with a condition that no further extension in DCP shall be granted beyond this period.

(ii) Reimbursement of power at INR 1 per unit for 5 years from the date of commencement of commercial production and extendable to by another 2 (two) years on satisfying performance of the unit, since the unit is located in Chittoor District which is a backward district.

(iii) 50% subsidy for sustainable green measures with a ceiling of INR 50 crores, and the green measures are as specified in the IDP 2015-2020.

(iv) Reimbursement of one-time skill development expenses at a rate of INR 10,000 per employee.

(v) Reimbursement of 100% cost of patents upto INR 5 lacs for domestic and INR 10 lacs for international patents.

(vi) All other incentives as per Industrial Development Policy (IDP) 2015-20.

5) The Commissioner of Industries, Andhra Pradesh, Vijayawada and MD, APIIC, Vijayawada shall take necessary action, accordingly and intimate the status of the progress of work done by the unit from time to time to the Government.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

SOLOMON AROKIARAJ
SECRETARY TO GOVERNMENT & CIP

To
The Commissioner of Industries, Andhra Pradesh,Vijayawada.
The Vice Chairman & Managing Director, APIIC, Vijayawada
M/s. International Flavours & Fragrances India Pvt. Ltd. through the Commissioner of Industries, Andhra Pradesh.

Copy to
The PR& RD (PR) Department.
The MA& UD Department.
The Collector& District Magistrate, Chittoor District.
The General Manager, District Industries Centre, Chittoor District.
The Finance (EBS-VIII) Department.
The Revenue (Lands) Department.
The Revenue (CT) Department.
The Revenue (Registration) Department.
The EFS&T Department.
The Law(H) Department.
The Water Resources Department.
The Ind.& Com (Infra) Dept.
The LET & F Department.
The H.M.& F.W. Department.
The TR&B Department
The Accountant General, Andhra Pradesh.
Secretary, Skill Development Department.
The Member Secretary, AP Pollution Control Board, Vijayawada.
The Commissioner of Commercial Taxes, GoAP, Vijayawada.
P.S. to Principal Secretary to Chief Minister, AP Secretariat.
PS to Minister, Ind. & Com. Dept., A.P. Secretariat.
P.S. to Chief Secretary to Government
P.S. to Secretary to Government & CIP, Industries & Commerce Dept.
SC/SF.

// FORWARDED BY ORDER//

SECTION OFFICER